GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:242
ANSWERED ON:02.08.2017
Reduction in Levies for Auctioned Spectrum
Ashok Kumar Shri K.

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Telecom Regulatory Authority of India (TRAI) has urged the Government to favourably consider its recommendation pertaining to reduction in levies and relaxation of payment period for auctioned spectrum to Telecom Service Providers (TSPs), if so, the details thereof and the reaction of the Government thereto;

(b) whether the said recommendation would help ease the financial burden of TSPs and make their service affordable and if so, the details thereof;

(c) whether the TRAI has proposed reduction of GST rate from eighteen per cent to five per cent on telecom sector and treat the same as core infrastructure sector; and

(d) if so, the details thereof and the reaction of the Government thereto?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 242 FOR 2ND AUGUST, 2017 REGARDING "REDUCTION IN LEVIES FOR AUCTIONED SPECTRUM ".

(a) Yes, Telecom Regulatory Authority of India (TRAI) vide D.O. No. 14-03/2017-F&EA dated 23rd June 2017 reiterated its earlier recommendations pertaining to reduction of levies and relaxing payment period for auctioned spectrum to Telecom Service Providers (TSPs), etc. for consideration of Government. The details are as follows:
1. To reduce the component of USO levy from the present 5% to 3% of AGR for all licences with effect from 1st April 2015 as per TRAI recommendation dated 6th January, 2015. This recommendation has not been accepted by the government so far.
2. The SUC for all auctioned spectrum should be at a flat rate of 3% of AGR of wireless services. This recommendation has already been accepted before the 2016 Spectrum Auction in which the SUC was fixed at 3% of AGR for all Spectrum including BWA put to auction.
3. Change the deferred payment schedule options for successful bidders to 18 equal annual installments with interest in 18 years. After due consideration Govt. allowed 10 equal annual installments with interest along with initial 2 years of moratorium period.
(b) As per TRAI these recommendations would help in minimizing the financial stress of the telecom companies and enable them to offer quality services to consumers at affordable prices.
(c) Yes, TRAI in its D. O. dated 23rd June, 2017 has proposed that DoT may take up with Ministry of Finance (MoF) the issue of reduction in GST rate from 18% to flat 5% by declaring telecom sector as core infrastructure industry and economy enabler in India.
(d) The Government has constituted an Inter-Ministerial Group (IMG) to examine the systemic issues affecting viability and repayment capacity in telecom sector and furnish recommendations for resolutions of stressed assets at the earliest. The IMG will also look into policy reforms and strategic interventions for the telecom sector.